

ESTTA Tracking number: **ESTTA469319**

Filing date: **04/26/2012**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91203898
Party	Plaintiff PeopleNetwork Aps AKA BeautifulPeople.com
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Submission	Motion to Dismiss - Rule 12(b)
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Date	04/26/2012
Attachments	Motion to Dismiss or Strike Counterclaim.pdf ( 12 pages )(598153 bytes )

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the Matter of Application Serial No. 85/196,831

PeopleNetwork Aps	)	
AKA BeautifulPeople.com	)	Opposition No. 91203898
	)	
Opposer,	)	OPPOSER'S MOTION TO DISMISS
	)	APPLICANT'S COUNTERCLAIM FOR
v.	)	FAILURE TO STATE A CLAIM UPON
	)	WHICH RELIEF CAN BE GRANTED OR,
Beautiful People Magazine, Inc.	)	IN THE ALTERNATIVE, TO STRIKE
	)	THE COUNTERCLAIM, AND TO STAY
Applicant.	)	ALL PROCEEDINGS AND RESET ALL
	)	DEADLINES
	)	

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Commissioner for Trademarks  
**TTAB – BOX FEE**  
P.O. Box 1451  
Alexandria, Virginia 22313-1451

**OPPOSER'S MOTION TO DISMISS APPLICANT'S COUNTERCLAIM FOR FAILURE  
TO STATE A CLAIM UPON WHICH RELIEF CAN BE GRANTED OR, IN THE  
ALTERNATIVE, TO STRIKE THE COUNTERCLAIM, AND TO STAY ALL  
PROCEEDINGS AND RESET ALL DEADLINES**

NOW COMES PeopleNetwork Aps AKA BeautifulPeople.com ("Opposer"), by and through Counsel, pursuant to the Federal Rules of Civil Procedure, and makes the following Pre-Answer Motion, supported by the attached memoranda of law, regarding the "Answer, Affirmative Defenses & Counterclaim" filed March 27, 2012, by Beautiful People Magazine, Inc. ("Applicant").

Pursuant to Federal Rule of Civil Procedure 12(b)(6), Opposer moves that the Trademark Trial and Appeal Board (the "Board") dismiss with prejudice Applicant's Counterclaim raised in its "Answer, Affirmative Defenses & Counterclaim" for failure to state a claim upon which relief may be granted on the grounds that (1) Applicant has not alleged facts which provide a cause of action

against Opposer's marks and (2) Applicant has failed to pay the filing fee required for filing a Counterclaim with the Board. In the alternative, pursuant to Federal Rule of Civil Procedure 12(f), Opposer moves that the Board strike Applicant's "Counterclaim to Cancel Opposer's Registration" from its "Answer, Affirmative Defenses & Counterclaim" on the same grounds. In addition, Opposer moves that the Board stay all proceedings in the above-cited opposition proceeding until judgment on this motion has been issued. Finally, Opposer moves that the Board reset all deadlines in the in above-cited opposition proceeding upon resolution of this motion.

Respectfully submitted,



Dated: April 24, 2012

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issued and reset all deadlines in the in above-cited opposition proceeding upon resolution of this motion.

**I. INTRODUCTION**

Applicant filed a document titled “Applicant’s Answer, Affirmative Defenses & Counterclaim” in this proceeding on March 27, 2012. When filing this document, Applicant improperly submitted this document as an “Answer” through the Trademark Trial and Appeal Board Electronic Filing System as opposed to an “Answer and Counterclaim.” Consequently, Applicant did not pay the requisite filing fee for filing a Counterclaim with the Trademark Trial and Appeal Board (the “Board”) and the Board did not designate a time within which an answer to the counterclaim must be filed pursuant to 37 C.F.R. § 2.106.

As part of Applicant’s “Answer, Affirmative Defenses & Counterclaim”, the section for Applicant’s Counterclaim against Opposer was titled “Counterclaim to Cancel Opposer’s Registration”. Applicant’s Counterclaim states that Applicant “submits that it will be damaged by the registration of the Beautiful People and BeautifulPeople.com wor[d] marks with Serial Numbers 85/236,075, 85/264,026, and 85/472,690 filed by [Opposer]. All the goods in the [Opposer’s] applications are being opposed.”

Despite the title of Applicant’s Counterclaim, Opposer does not own and Opposer did not plead any federal trademark registrations for the marks at issue in its pending Opposition. Accordingly, Opposer does not own any registrations that can be subject to cancellation in the Counterclaim proceeding. On the other hand, Opposer owns pending applications for BEAUTIFUL PEOPLE (Serial Nos. 85236075 and 85264026) and BEAUTIFULPEOPLE.COM (Serial No. 85472690), which were alleged in Opposer’s Notice of Opposition in this proceeding.

However, as these pending applications have not yet been published for opposition, they cannot form the basis for Applicant's Counterclaim.

In light of the above facts, Applicant's Counterclaim fails to state a claim upon which relief can be granted and Opposer respectfully requests that it be dismissed with prejudice or stricken from Applicant's "Answer, Affirmative Defenses & Counterclaim".

## II. ARGUMENT

### A. Standard For Dismissal.

The Federal Rules of Civil Procedure govern *inter partes* proceedings before the United States Patent and Trademark Office. 37 C.F.R. § 2.116(a). "The opposer in an opposition proceeding or the petitioner in a cancellation proceeding shall be in the position of plaintiff, and the applicant in an opposition proceeding or the respondent in a cancellation proceeding shall in the position of defendant." 37 C.F.R. § 2.116(b).

A motion to dismiss for failure to state a claim upon which relief can be granted is a test solely of the legal sufficiency of a complaint, as well as a counterclaim. *See* T.B.M.P. § 503.02 *citing Advanced Cardiovascular Systems Inc. v. SciMed Life Systems, Inc.*, 988 F.2d 1157 (Fed. Cir. 1993). In order to withstand such a motion, a complaint or counterclaim need only allege such facts as would, if proved, establish that the plaintiff is entitled to the relief sought, that is, that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for denying the registration sought (in the case of an opposition), or for canceling the subject registration (in the case of a cancellation proceeding). T.B.M.P. § 503.02 *citing Young v. AGB Corp.*, 152 F.3d 1377, 47 U.S.P.Q.2d 1752, 1754 (Fed. Cir. 1998).

To survive a motion to dismiss, a complaint or counterclaim must "state a claim to relief that is plausible on its face." *See* T.B.M.P. § 503.02 *citing Bell Atlantic Corp. v. Twombly*, 550

U.S. 554, 570 (2007). A motion to dismiss under Rule 12(b)(6) should be granted when the complaint fails “to either present a cognizable legal theory or allege sufficient facts to support a cognizable legal theory.” *Simril v. Baca*, 2008 WL 2184120, at \*3 (C.D. Cal. 2008) (*citing Navarro v. Block*, 250 F.3d 729, 732 (9th Cir.2001)).

Alternatively, under Rule 12(f), the Court “may order stricken from any pleadings any insufficient defense or any redundant, immaterial, impertinent, or scandalous matter.” Fed. R. Civ. P. 12(f); *Ohio State University v. Ohio University*, 51 U.S.P.Q.2d 1289, 1292 (T.T.A.B. 1999). The essential function of a Rule 12(f) motion is to “avoid the expenditure of time and money that must arise from litigating spurious issues by dispensing with those issues prior to trial.” *Stickrath v. Globalstar, Inc.*, No. C07-1941 TEH, 2008 U.S. Dist LEXIS 95127, at \*5 (N.D. Cal. May 13, 2008) (*citing Fantasy, Inc. v. Fogerty*, 984 F.2d 1524, 1527 (9th Cir. 1993), *rev’d on other grounds*, 510 U.S. 517, 114 S. Ct. 1023, 127 L. Ed. 2d 455 (1994)).

B. Applicant’s Counterclaim Fails To State A Claim Because The Allegations Are Insufficient And Do Not Present A Cognizable Legal Theory Or Allege Sufficient Facts To Support A Cognizable Legal Theory Upon Which Relief Can Be Granted.

i. Applicant Failed To Pay The Required Fee For Filing A Counterclaim.

A cancellation petition, including a counterclaim for cancellation, is commenced by filing in the Office a timely petition for cancellation with the required fee. *See* 37 C.F.R. § 2.111(a); T.B.M.P. § 313.01 (“a counterclaim is the legal equivalent of a petition to cancel.”). An otherwise timely petition for cancellation will not be accepted via ESTTA unless the petition for cancellation is accompanied by a fee that is sufficient to pay in full for each named party petitioner to petition for cancellation of the registration of a mark in each class specified in the petition for cancellation. 37 C.F.R. § 2.111(c)(2).

When Applicant filed its “Answer, Affirmative Defenses & Counterclaim” via ESTTA in this proceeding on March 27, 2012, Applicant improperly submitted this document as an “Answer” as opposed to an “Answer and Counterclaim.” In doing so, it appears that Applicant failed to pay the requisite filing fee for filing a Counterclaim with the Board. Accordingly, Applicant’s Counterclaim should not be accepted. *See* 37 C.F.R. § 2.111(c)(2); *Pyttronic Industries Inc. v. Terk Technologies Corp.*, 16 U.S.P.Q.2d 2055, 2056 n.2 (T.T.A.B. 1990) (counterclaim that consisted of a petition to cancel any registration which might issue in the future from a pending application which had been pleaded by opposer was given no consideration where the requisite fee for the filing of a petition to cancel was not submitted therewith).

ii. *Applicant Cannot Attack The Validity Of A Pledged Application Through A Counterclaim In An Opposition Proceeding.*

Pursuant to 37 C.F.R. § 2.106(b)(2)(i), a defense attacking the validity of any one or more of the pleaded registrations in an opposition shall be a compulsory counterclaim if grounds for such counterclaim exist when the answer is filed. “A pleaded registration is a registration identified by number and date of issuance in an original notice of opposition...” 37 C.F.R. § 2.106(b)(1). The only type of counterclaim that may be entertained by the Board is a counterclaim for cancellation of a registration owned by an adverse party. *See Pyttronic Industries Inc.*, 16 U.S.P.Q.2d at 2056 n.2 (counterclaim to cancel “any registration which might issue in the future from pleaded application” stricken as improper); *International Telephone and Telegraph Corp. v. International Mobile Machines Corp.*, 218 U.S.P.Q. 1024, 1026 (T.T.A.B. 1983) (counterclaim to “refuse any application filed by petitioner” was improper). As a result, the Board should not entertain counterclaims to cancel pleaded applications. *See id.*



Opposer did not assert rights in any federal trademark registrations in its Notice of Opposition. As grounds for the opposition of Applicant's application for BEAUTIFUL PEOPLE MAGAZINE (Serial No. 85/196,831), Opposer's Notice of Opposition stated that Opposer owns the U.S. trademark applications for BEAUTIFUL PEOPLE (Serial Nos. 85236075 and 85264026) and BEAUTIFULPEOPLE.COM (Serial No. 85472690). These applications have not proceeded to registration. These applications have also not yet been published for opposition. Instead, action on these applications has been suspended until Applicant's application for BEAUTIFUL PEOPLE MAGAZINE (Serial No. 85/196,831) is either registered or abandoned. 37 C.F.R. § 2.83(c).

Despite the fact that Opposer did not plead any registrations in its Notice of Opposition, Applicant filed a "Counterclaim to Cancel Opposer's Registration" as part of Applicant's "Answer, Affirmative Defenses & Counterclaim". In addition, despite the fact that Opposer's applications have not yet been published for opposition, as the first paragraph of Applicant's Counterclaim, Applicant states that it "submits that it will be damaged by the registration of the Beautiful People and BeautifulPeople.com wor[d] marks with Serial Numbers 85/236,075, 85/264,026, and 85/472,690 filed by [Opposer]. All the goods in the [Opposer's] applications are being opposed."

As stated above, Opposer does not own any federal trademark registrations for the marks at issue in the pending Opposition or Counterclaim for Cancellation. Accordingly, Opposer does not own any trademarks that can be subject to cancellation in this proceeding. *See Pyttronic Industries Inc.*, 16 U.S.P.Q.2d at 2056 n.2 ("a counterclaim...is improper in that it consists of a petition to cancel any registration which might issue in the future from a pending application which had been pleaded by opposer. Such a hypothetical pleading is not permitted.") On the

other hand, Opposer owns pending applications for BEAUTIFUL PEOPLE (Serial Nos. 85236075 and 85264026) and BEAUTIFULPEOPLE.COM (Serial No. 85472690), which support Opposer's Opposition in this proceeding. However, as these pending applications have not yet been published for opposition, they cannot form the basis for Applicant's Counterclaim opposing Opposer's applications.

In light of the above facts, Applicant's Counterclaim fails to state a claim upon which relief can be granted and Opposer respectfully requests that it be dismissed with prejudice or stricken from Applicant's "Answer, Affirmative Defenses & Counterclaim".

C. The Board Should Reset The Deadline For The Discovery Conference, Making Initial Disclosures And All Subsequent Dates.

After a party files a counterclaim in an opposition proceeding, the Board will set a time, not less than thirty days, within which an answer to the counterclaim must be filed. 37 C.F.R. § 2.106(b)(2)(iii). Because Applicant failed to file its "Answer, Affirmative Defenses & Counterclaim" as an "Answer and Counterclaim" or pay the required filing fee, the Board has not designated a time within which Opposer's answer to the counterclaim must be filed. While the Board has not set a time within which Opposer must file an answer to the Counterclaim, Opposer is filing this motion with thirty days of Applicant's improper filing of its "Answer, Affirmative Defenses & Counterclaim".

Furthermore, in instances where a motion under Federal Rule of Civil Procedure 12 or a counterclaim has been filed, the parties' obligation to have a discovery conference is effectively stayed. T.B.M.P. § 401.01 *citing* Miscellaneous Changes to Trademark Trial and Appeal Board Rules, 72 Fed. Reg. 42242, 42245 (August 1, 2007). The rationale is that an answer must be filed to all claims and counterclaims, and issues related to the pleadings resolved before the

parties can have a meaningful discovery conference. *Id.* In such cases, the Board will reset the deadline for the discovery conference as well as all subsequent dates, upon resolution of the motion or counterclaim. *Id.* Accordingly, Applicant respectfully requests that the Board reset the deadline for the discovery conference as well as all subsequent dates, upon resolution of the motion.<sup>1</sup>

D. The Board Should Suspend All Proceedings Pending The Outcome Of This Motion.

Pursuant to 37 CFR § 2.127(d), the Board should suspend “the case ... with respect to all matters not germane to the motion.” T.B.M.P. § 528.03. Thus, Applicant respectfully requests that the Board issue an order suspending all proceedings pending the outcome of this motion.

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<sup>1</sup> Even though the deadline to complete the discovery conference is effectively stayed upon the filing of this motion, Opposer attempted to schedule a discovery conference with the Applicant. In particular, Opposer’s counsel sent Applicant an e-mail on April 23, 2012, requesting Applicant’s availability to conduct a discovery conference on or before April 26, 2012. Opposer also notified Applicant of its intent to file this motion in its April 23, 2012 e-mail. Applicant did not respond to Opposer’s request.

**III. CONCLUSION**

For the reasons stated herein, Opposer's motion to dismiss and/or strike should be granted, all proceedings pending the outcome of this motion should be suspended and the Board should reset the deadline for the discovery conference, for making initial disclosures and all subsequent dates upon resolution of this motion.

Respectfully submitted,



Dated: April 26, 2012

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**CERTIFICATE OF SERVICE**

I, Kim Tyson, hereby certify that a true and correct copy of the foregoing **MOTION TO DISMISS APPLICANT'S COUNTERCLAIM FOR FAILURE TO STATE A CLAIM UPON WHICH RELIEF CAN BE GRANTED OR, IN THE ALTERNATIVE, TO STRIKE THE COUNTERCLAIM, AND TO STAY ALL PROCEEDINGS AND RESET ALL DEADLINES** and **MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF OPPOSER'S MOTION TO DISMISS APPLICANT'S COUNTERCLAIM FOR FAILURE TO STATE A CLAIM UPON WHICH RELIEF CAN BE GRANTED OR, IN THE ALTERNATIVE, TO STRIKE THE COUNTERCLAIM, AND TO STAY ALL PROCEEDINGS AND RESET ALL DEADLINES** was served upon:

Joshua Domond  
Beautiful People Magazine Inc.  
101 Ocean Drive  
Suite 916  
Miami Beach, FL 33139

by First Class Mail on April 26, 2012, with a courtesy copy by electronic mail to [bpmagonline@gmail.com](mailto:bpmagonline@gmail.com).

  
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Kim Tyson